

**Statement of Congresswoman Sue Kelly**  
**“Protecting our Financial Infrastructure: Preparation and Vigilance”**  
**September 9, 2004**

This morning, the Committee convenes to continue its ongoing oversight of preparedness, incident-recovery and critical infrastructure protection issues. I thank Chairman Oxley for holding this hearing.

At the heart of critical infrastructure is the safety and soundness of the financial services sector, which drives every aspect of our economy. Earlier this Congress, the Oversight and Investigations Subcommittee held a hearing to examine the state of readiness of the financial services sector and the critical infrastructure that allows it to serve our country. In that hearing, the Subcommittee learned about the many promising steps that have been taken by our financial caretakers, as well as the constant assessments and improvements that still must be performed.

Over the last several years, our country has experienced many extraordinary events that have threatened the safety of the American people and our financial system – from the horrific attacks of September 11, 2001 to other blackouts and hurricanes. Fortunately, our markets have experienced remarkably quick recoveries, illustrating the tremendous resiliency of our financial system and the U.S. economy.

As a result of these events, it is apparent that the technology age we live in – which allows us to provide services and access information in a heartbeat – is both a boon and one of our greatest vulnerabilities. It is imperative that we continually revise our efforts to protect data systems and the infrastructure that allow them to operate, which are evermore intertwined and dependent on one another. Today, this review could not be anymore timely.

Last month, Department of Homeland Security Secretary Tom Ridge issued a warning of possible al-Qaeda terrorist attacks to our financial institutions, including Prudential Financial, the Citigroup Center building and the New York Stock Exchange, as well as the International Monetary Fund and World Bank buildings. The Committee is very interested in the steps that have been taken to protect our financial infrastructure since the threat level was elevated to Code Orange for the financial services sector in New York City, northern New Jersey, and Washington, D.C.

As terrorists continue to target our economy and financial institutions, we must ensure our financial infrastructure is strong enough to withstand diverse attacks. We must ensure that all of our systems – whether financial, energy, transportation or telecommunications – are able to operate under any extraordinary circumstances.

The Committee is pleased to have with us Federal Reserve Board Governor Mark Olson who has been a leader in these efforts in his role at the Fed. We also welcome the Assistant Secretary for Financial Institutions at the Treasury Department, Wayne Abernathy, who also serves as the Department’s sector coordinator for critical infrastructure protection. Also joining us is the Assistant Secretary of Homeland Security for Infrastructure Protection, Robert Liscouski, who is responsible for the Department’s efforts to identify our critical infrastructures and propose protective measures to keep them safe from terrorist attacks.

Keeping our financial systems functioning and safe requires a high degree of coordination between many different and important parties – both public and private. The Committee is also pleased to have with us witnesses on our second panel who are leaders in protecting critical financial services assets from major disasters – including several individuals from the Great State of New York. These witnesses, along with others in the private sector and government who could not be represented here today, are working in the field every day to protect our financial system.

The Committee thanks all of our witnesses for your appearance here today, and we look forward to your testimony. Together we can ensure that our financial systems are functioning smoothly under all circumstances and that the American people have full confidence in the financial services sector.